

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6265-01
Bill No.: HB 2063
Subject: Crimes and Punishment; Revenue Department
Type: Original
Date: April 10, 2012

Bill Summary: This proposal requires the Department of Revenue to issue special ignition interlock driver's licenses to persons convicted of intoxication related traffic offenses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$504,772)	(\$304,184)	(\$344,759)
Total Estimated Net Effect on General Revenue Fund	(\$504,772)	(\$304,184)	(\$344,759)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 12 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Jefferson City Police Department, Office of Prosecution Services, Office of the State Courts Administrator, Department of Mental Health, Department of Insurance, Financial Institutions and Professional Registration and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Department of Transportation, Office of the State Public Defender and Kansas City Police Department** did not respond to our request for fiscal impact.

Section 302.304

Officials from the **Department of Revenue** state this section of the proposal requires programming and testing of the Missouri Driver Licensing (MODL) system and will require training of staff, procedure and website updating. This will require:

FY 2013

Administrative Analyst I - 80 hours @ \$24 (1 ½) per hour =	\$1,920
Management Analyst Spec II - 80 hours @ \$23 per hour =	\$1,840
Revenue Band Manager I - 20 hours @ \$25 per hour =	<u>\$500</u>

Total = **\$4,260**

Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>

Total = **\$1,820**

ASSUMPTION (continued)

Section 577.041

Officials from the **Department of Revenue** state this section of the proposal requires programming and testing of the Missouri Driver Licensing (MODL) system and will require training of staff, procedure and website updating. It will also require printing of new forms, replacement of the current supply of the forms in central stores and mailing copies of the updated forms to law enforcement agencies. This will require:

FY13

Administrative Analyst I - 80 hours @ \$24 (1 ½) per hour =	\$1,920
Management Analyst Spec II - 80 hours @ \$23 per hour =	\$1,840
Revenue Band Manager I - 20 hours @ \$25 per hour =	<u>\$500</u>

Total = **\$4,260**

Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>

Total = **\$1,820**

Cost for forms - 160,000 @ \$0.12 =	\$19,200
Cost for envelopes - 656 @ \$0.12 =	\$79
Cost for postage - 656 @ \$5.48 =	<u>\$3,595</u>

Total = **\$22,874**

A sweep of MODL shows 67,852 individuals are currently revoked for a chemical refusal. The Department assumes this law will be retroactive at the time it is implemented. Prior to implementation, the Department will need to issue a notice informing these individuals of the Ignition Interlock Device (IID) requirement for first offenders, the extended time-frame the IID is required after reinstatement; and the requirement for the 'special' driver license for all revocations pursuant to this section.

ASSUMPTION (continued)

Cost for forms - 67,852 @ .025 =	\$1,696
Cost for envelopes - 67,852 @ .04 =	\$2,714
Cost for postage - 67,852 @ .45 =	<u>\$30,533</u>

Total = **\$34,943**

Section 577.600

Officials from the **Department of Revenue** state this section of the proposal requires programming and testing of the Missouri Driver Licensing (MODL) system and will require adding of new fields allowing for various time-frames for the court issued IID based on the number of convictions as determined by the court. It will also track IID violations and extend the 'special driver's license' requirement pursuant to section 577.606 for 90-days until there is a continuous, violation free 90-day period. The department will generate a notice to the citizen when the five-year IID requirement has been met on life time court orders. This will require:

FY13

Administrative Analyst I - 80 hours @ \$24 (1 ½) per hour =	\$1,920
Management Analyst Spec II - 80 hours @ \$23 per hour =	<u>\$1,840</u>

Total = **\$3,760**

Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>

Total = **\$1,820**

A sweep of MODL shows 13,324 intoxication-related traffic offense convictions were added to driving records in calendar year 2011. Information provided by the Missouri State Highway Patrol (MSHP) from the Driving While Intoxicated Tracking System (DWITS) shows 12,319 Suspended Imposition of Sentence (SIS) intoxication-related traffic offense dispositions were added in calendar year 2011. Assuming the court will order all persons who are found guilty of or pleads guilty to an intoxication-related traffic offense to not operate any motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device, the Department could potentially receive 25,643 court orders per year. When divided by the number of working days in a year (260), this equates to 99 orders per day (25,643/260 = 99).

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ASSUMPTION (continued)

A Revenue Processing Tech I (RPT I) can process 104 court orders per day. One additional FTE will be required to process the increased volume. If the volume exceeds 99 per day, an additional FTE would be required.

Section 577.606

Officials from the **Department of Revenue** state this section of the proposal requires:

- o Programming and testing of various driver licensing systems
- o Development of business requirements and design for new 'special driver's license' issuance process
- o Request for change order analysis from the document production vendor
- o Completion of MEDL CI system update to determine issuance of the special license type
- o User testing of changes to the license issuance system and vendor license production process
- o Create a database to receive files from the IID manufacturer for the monthly calibration reports and evaluate the information to determine any violations
- o Allow various types of IID violations to be added in MODL and extend the 'special driver's license' requirement for 90 days until there is a continuous, violation free 90-day period
- o MODL to generate a notice when the 'special driver license' requirement has been extended due to violations received from the manufacturer
- o MODL to generate a notice when a court ordered IID is added and the license status is not suspended, revoked, denied, etc. to notify the citizen of the requirement to obtain the 'special driver's license'
- o MODL to generate a notice when the IID restriction is no longer required and the person is eligible to receive a reissuance of their regular driver's license
- o Revise the administrative alcohol suspension/revocation notice served by the arresting law enforcement officer based on the 'special driver's license' requirements.
- o Print 160,000 new forms
- o Replace the current supply of the forms in central stores - 28,800; and
- o Mail 131,200 copies of the updated forms to 656 law enforcement agencies (200 forms each).

ASSUMPTION (continued)

FY13

Costs for the license issuance vendor, MorphoTrust U.S.A., is estimated at **\$28,000** based on a prior "not to exceed" estimate for a change to the current card if physical layout of information is not modified. The Department assumes the layout of information would be the same for this new design; it may only be a change to the header and/or special indicators.

FY13 - License Issuance

Administrative Analyst I - 240 hours @ \$24 (1 ½) per hour =	\$5,760
Management Analyst Spec II - 280 hours @ \$23 per hour =	\$6,440
Revenue Band Manager II - 80 hours @ \$30 per hour =	<u>\$2,400</u>
Total =	\$14,600

Update web page - Administrative Analyst III - 10 hrs @ \$22 =	\$220
Update forms - Management Analysis Spec I - 40 hrs @ \$20 =	\$800
Update procedures - Management Analysis Spec I - 40 hrs @ \$20 =	<u>\$800</u>
Total =	\$1,820

FY13 - MODL and Database Testing

Administrative Analyst I - 320 hours @ \$24 (1 ½) per hour =	\$7,680
Management Analyst Spec II - 320 hours @ \$23 per hour =	\$7,360
Revenue Band Manager I - 160 hours @ \$25 per hour =	<u>\$4,000</u>
Total =	\$19,040

A sweep of MODL shows 52,486 individuals who are currently suspended, revoked, or denied and requires the ignition interlock for reinstatement (this does not include revocations pursuant to section 577.041). The Department assumes this law will be retroactive at the time it is implemented. Prior to implementation, the Department will need to issue a notice informing these individuals of the 'special driver's license' requirement pursuant to this section.

ASSUMPTION (continued)

Cost for forms - 52,486 @ .025 =	\$1,312
Cost for envelopes - 52,486 @ .04 =	\$2,099
Cost for postage - 52,486 @ .45 =	<u>\$23,619</u>

Total = **\$27,030**

The Administrative Alcohol Suspension/Revocation notice served by the arresting law enforcement officer will need revised based on the 'special driver license' requirements.

Cost for forms - 160,000 @ \$0.12 =	\$19,200
Cost for envelopes - 656 @ \$0.12 =	\$79
Cost for postage - 656 @ \$5.48 =	<u>\$3,595</u>

Total = **\$22,874**

Based on the number of changes this proposal provides, FTE will be required to answer phone calls, prepare correspondence, and assist in-person customers. A sweep of MODL shows 73,294 individuals who are currently suspended, revoked, or denied and require the ignition interlock device for reinstatement. Additionally, there are 47,044 persons revoked for a first offense refusal who will now be required to have the ignition interlock device for reinstatement. Due to the provisions provided in section 577.606 requiring the 'special driver's license', the Department's requirement to track violations reported by the IID manufacturers, and the requirement to extend the 'special driver's license' based on these violations, the Department assumes a large percentage of the people affected by these changes will contact the Department. The Department assumes the law is retroactive and additional requirements will be sent to the persons that already have an IID requirement (73,294); therefore, additional inquiries will be made when these letters are mailed. Although the number of contacts is unknown, based on discussions with other states that currently have laws for first offenders and for persons who violate the IID, each person required to have IID could potentially contact the Department numerous times because of multiple IID violations and the extension of time the "special" license is required. For the purposes of this fiscal note, the Department will assume that a person will contact us at least 2 times per year.

ASSUMPTION (continued)

73,294 - Currently requires IID
+ 47,044 - Will require IID
120,338 - Persons required to install IID for reinstatement
X 50% - Percent of persons who will contact the Department
60,169 - Number of persons contacting the Department per year
X 2 - Average number of times each person will contact the Department per year
120,338 - Number of contacts per year
/ 260 - Number of working days per year
463 - Number of persons who will contact the Department daily

Currently an RPT I is required to answer 100 phone calls per day; an RPT I is required to answer 30 correspondence per day, handle in-person contacts, and provide phone assistance as needed. Therefore, 5 FTE are needed to handle the additional contacts. There is no way to determine the impact to the Department based on all the required changes in this proposal, specifically the violations reported by the IID manufacturers from the monthly monitoring reports. The Department may require additional FTE to enforce the provisions in this section. The additional FTE will be requested through the appropriation process.

Legal Services:

This legislation will create a need for additional FTE legal counsel. One FTE Legal Counsel - **\$50,076.**

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Information Technology - OA-ITSD (DOR)

Department of Revenue response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver license legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$81,000 calculated on 2000 FTE hours plus 140 contractor hours at \$200 per hour.

ASSUMPTION (continued)

Section 577.606

There are no statistics available to determine how many people will apply for and receive the 'special driver's license' pursuant to this section. Since there are no provisions for the Department to take any action against the person for not obtaining the license, the Department is unsure how many "special" driver licenses will be issued. Potentially, if all persons required to obtain the "special" license did, there would be 120,338 licenses issued.

The Department of Revenue would incur a loss in revenue due to the vendor cost to produce the license. Under Article IV, Section 30 (b) of the Missouri Constitution, the Department is limited to 3% of any "state revenue derived from highway users as an incident to their use or right to use the highways of the state." Assuming a \$50 license fee is imposed for the "special" license, the Department would be able to realize a maximum of \$1.50 to cover costs. Currently, each license costs the Department \$1.86 to produce. With the upcoming implementation of the Department's new driver license system (new hardware and updated software), the cost for the Department to produce a license will increase.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
Cost- Department of Revenue- Administrative cost	<u>(\$504,772)</u>	<u>(\$304,184)</u>	<u>(\$344,759)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$504,772)</u>	<u>(\$304,184)</u>	<u>(\$344,759)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2013 (10 Mo.)	 FY 2014	 FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Providers of the Ignition Interlock devices would have a positive fiscal impact to their business.

FISCAL DESCRIPTION

This proposal specifies that any person whose license is suspended due to a first conviction of driving while intoxicated or driving with blood alcohol content of .08 or more will not have his or her driver's license suspended if he or she agrees to equip his or her vehicle with an ignition interlock device, but instead will have a 90-day period of restricted driving privilege.

The proposal requires that any person who has a driver's license suspended for the refusal upon the request of law enforcement to submit to a test for blood alcohol content to have an ignition interlock device installed on all motor vehicles operated by the person for a period of not less than one year. The court must require any person who is found guilty or pleads guilty to an intoxication-related traffic offense to not operate any motor vehicle unless equipped with ignition interlock device for a period of not less than 90 days if convicted of a first intoxication-related traffic offense, not less than one year if convicted of a second, not less than five years if convicted of a third or fourth, and for the duration of the person's life if convicted of a fifth. A person convicted of his or her fifth intoxication-related traffic offense is eligible to have his or her restriction reviewed by the department after operating a motor vehicle equipped with an ignition interlock device in full compliance for five years.

The proposal requires that any ignition interlock device required by these provisions to have photo identification technology and global positioning system features.

The proposal requires the Department of Revenue to issue a special driver's license to any person required to use an ignition interlock device that signifies that the driver must not operate a vehicle that does not contain a device. Costs associated with issuing the special license or reissuing the person's regular driver's license, upon completion of the restricted driving period, are to be paid by the individual, but are not to exceed \$50. Any person required to have this special license must have it for the duration of the restricted driving period and until the person maintains a period of 90 days without the ignition interlock device registering a level of alcohol above the level set by the department and without any reports of tampering or circumventing the device. If a violation occurs, the restricted driving period must be extended for an additional 90 days.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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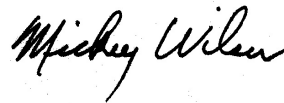
SOURCES OF INFORMATION

Office of the State Courts Administrator
Department of Mental Health
Department of Corrections
Department of Revenue
Department of Public Safety
Office of Prosecution Services
Department of Insurance, Financial Institutions and Professional Registration
Jefferson City Police Department

NOT RESPONDING

Kansas City Police Department
Office of the State Public Defender
Department of Transportation

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director
April 10, 2012